I request Members to rise in their places and observe silence as a mark of respect to the memory of those who lost their lives in this tragedy.

*(Hon. Members then stood in silence for one minute)*

**श्री एस.एस.अहलुवालिया (झारखंड)**: माननीय सभापति महोदय, अभी-अभी हम लोगों ने श्रद्धांजलि अर्पित की है, उन शहीदों को, जिन्होंने पार्लियामेंट की सुरक्षा की। पर आज समाचार पत्रों में निकला है कि अभी तक उनकी विधवाओं को कम्पेनसेशन नहीं मिला है। अगर उनको कम्पेनसेशन नहीं मिला है, तो वह तुरन्त दिया जाए और उनके परिवार की सुरक्षा तथा उनके परिवार की पढ़ाई-लिखाई का जो खर्चा वहन करने की बात उस वक्त कही गई थी, उसके पूरा किया जाये।

**श्री बलबीर के.पुंज** (उत्तर प्रदेश)**:** चेयरमैन सर, इसमें सरकार की तरफ से जो ...(**व्यवधान**)...

**श्री सभापतिः** मैं बताता हूं। मैं समझता हूं कि सरकार की तरफ से इसका आज मिलना चाहिए, संभव हो तो। कम्पेनसेशन जो अब तक नहीं दिया गया है, उसको देने की किस प्रकार की व्यवस्था की गई है और नहीं दिया गया है, तो क्यों नहीं दिया गया है?

**कार्मिक लोक शिकायत और पेंशन मंत्रालय में राज्य मंत्री तथा संसदीय कार्य मंत्रालय में राज्य मंत्री (सुरेश पचौरी)**: सभापति महोदय, आपने जो निर्देश दिया है, उससे मैं संबंधित मंत्री जी को अवगत करा दूंगा और उनसे यह भी कहूंगा कि वह यह भी जरा देख लें कि पूर्व सरकार के दौरान, जबकि यह घटना उस कार्यकाल में हुई थी, क्या कारण थे कि उस समय कम्पेनसेशन नहीं मिल पाया और आज क्या कारण है कि अभी तक नहीं मिल पाया है। दोनों चीजों की वस्तुस्थिति से माननीय मंत्री जी अवगत करा देंगे।

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## ORAL ANSWERS TO QUESTIONS

*281. [The questioner (Shri Pramod Mahajan) was absent. For answer *vide* page 30 *infra]*

### Tapping of PSU deposits

*282. SHRI V. NARAYANASAMY: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to relax the condition enabling foreign banks to tap the Public Sector Undertakings deposits; and

(b) if so, by when it will be implemented?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) No proposal to relax the conditions enabling foreign banks to tap the PSU deposits is under consideration of the Government.

SHRI V NARAYANASAMY: Mr. Chairman, Sir, the Government took a decision to give finacial autonomy to the public sector undertakings in this country. There are some oil companies which were having surplus funds, which they would like to invest. Earlier, restrictions were imposed. Now, a Ibt of foreign banks are operating in our country with the permission of the Reserve Bank of India. I am not vouchsafing or even supporting that foreign banks alone should be chosen for deposits by the public sector undertakings. When we give financial autonomy and flexibility in functioning to these public sector undertakings and also financing their resources, why is the Government of India not considering investments by the public sector undertakings in foreign banks in order to get more returns on their investments?

SHRI P. CHIDAMBARAM: Sir, this restriction is not imposed by the Reserve Bank of India. This restriction is imposed by the Government. Therefore, whether this restriction should be relaxed to the public sector undertakings is a matter for the Government to consider. I shall certainly pass on the Member's suggestion to the concerned Ministry.

SHRI V. NARAYANASAMY: Sir, my second suplementary is ...*(Interruptions)*... Sir, the Finance Ministry is also part of the Government and the hon. Minister is representing in the Cabinet and he also sits in the Cabinet meetings. I agree that it is a policy matter. I would like to know whether the Minister would not only 'pass on', but also he takes initiative. I would like to submit this because when you say 'financial autonomy and flexibility', why do not you consider this? Just do not pass on the buck, the entire spectrum to the Cabinet or even the Central Government. I want a categorical answer from the hon. Finance Minister.

SHRI P. CHIDAMBARAM: Sir, I am not passing the buck to my colleague, I am passing the suggestion to my colleague.

SHRI V. NARAYANASAMY: Sir, on the first supplementary no reply has come. I would like to put the second supplementary. ...*(Interruptions)*...

It is a genuine question. When you want the public sector autonomy, it should be full autonomy for the public sector. I oppose giving partial

autonomy and keeping certain issues under your control. That is why I am posing this question to the hon. Finance Minister.

SHRI P. CHIDAMBARAM. Sir, these are very good suggestions which deserve to be considered expeditiously. And I will certainly pass on these suggestions also.

SHRI DIPANKAR MUKHERJEE: There is another suggestion now. I don't know whether it will be passed on, or, he will take a decision. Sir, as per the Public Enterprises Survey, the reserves of the public sector undertakings are to the tune of Rs. 2,59,600 crores. So, Sir, I want to know from the hon. Minister whether, out of these Rs. 2,59,600 crores reserves, the Government is considering utilising a part of this on the revival of sick PSUs, instead of shedding of equities of the profitable public sector undertakings.

SHRI P. CHIDAMBARAM: Sir, the reserves of a public sector enterprise belong to that enterprise. You cannot take the reserves of one PSE and revive another PSE, unless the first PSE buys the equity of the second PSE. These are legal entities. They are answerable to their shareholders. In some cases, the Government is a sole shareholder. In other cases, there are other shareholders. How the reserves of a public sector undertaking should be utilised is a matter for the Board of Directors of that public sector enterprise, with the approval of the administrative Ministry, wherever necessary, to take a decision. However, the Ministry of Finance has asked the public sector undertakings where there are large reserves to declare special dividends, or, to declare bonus shares, because a part of this wealth must, indeed, come to the Government. Guidelines have been issued. It has not been issued for the first time. These guidelines have been issued, from time to time, in the past also. If some reserves of the PSE are made available to the Government, either as a special dividend, or otherwise, then, certainly, that will come into the Budget and appropriation of that money or the allocation of that money for purposes would be considered by the Government subject, of course, to the approval of Parliament. One of the purposes for which we do use Budgetary resourcs is to revive sick public sector enterprises. We have, in 2004-05 and 2005-06, spent a lot of money for reviving revivable public sector enterprises. Hon. Member knows about that colleague, the Minister, has placed that list before Parliament. We have given figures of how much we have given to sick public sector enterprises. Reviving revivable

public sector enterprises is among the objectives of this Government. But, this issue ought not to be clubbed with the issue of disinvesting small portions of equity in profitable non-Navratna public sector enterprises. The philosophy of that has been explained separately in a Calling Attention Motion; and, in reply to another question. If another question on that is raised, I shall be very happy to answer that question also. These are two separate issues. And, I don't think one can spill into the other.

SHRI JAIARAM RAMESH: Sir, the original question deals with PSU deposits/and foreign banks, My question to the hon. Minister deal only with one aspect of the question, namely foreign banks. Foreign banks and public sector banks are in competition with each other and the priority sector norms are applied both to public sector banks and to foreign banks. But, the manner in which the priority sector norms are fulfilled are different in the case of foreign banks than in public sector banks. My question to the hon. Minister is, whether he would consider reviewing the manner in which priority sector norms are fulfilled by foreign banks so that direct lending to the priority sector by foreign banks increases.

SHRI P. CHIDAMBARAM: Sir, the hon. Member knows the supplementary that he has asked does not arise out of the main question.

MR. CHAIRMAN: Does he know about it?

SHRI P. CHIDAMBARAM: I am sure ...*(Interruptions)*... How should priority sector lending be governed in a private sector bank, in a public sector bank and in a foreign bank is, indeed, an important matter. Let him raise it through a proper question and I will give him a full answer.

SHRI C. RAMACHANDRAIAH: Sir, this is only a clarification. My colleague has stated that about Rs. 2,60,000 crores reserves of the public sector enterprises are there. Hon. Minister has not denied it. Can I presume that the figure is correct?

SHRI P. CHIDAMBARAM: No. Sir, I am neither confirming nor denying that figure. I do not have the figure with me. I am assuming that there are large reserves and I am dealing with the general question of how reserves should be deployed. I am neither confirming nor denying the figure. I do not have the figure with me.

PROF. SAIF-UD-DIN SOZ: Sir, sometime ago the Government had instituted a Committee to look into the working of the public sector

undertakings under the chairmanship of an hon. Member of Rajya Sabha, Or. Sengupta. I would like to know from the hon. Minister because the major question of autonomy of the public sector undertakings has been examined. ...*(Interruptions)*... Would the hon. Minister react to this? ...*(Interruptions)*... When are they going to implement that report? ...*(Interruptions)*... The question of autonomy has been raised by Mr. Narayanasamy.

MR. CHAIRMAN: You have put your question. Let him reply.

PROF. SAIF-UD-DIN SOZ: When are they going to implement that report? ...*(Interruptions)*...

MR. CHAIRMAN: Please take your seat. ...*(Interruptions)*...

SHRI P. CHIDAMBARAM: Sir, with due respect, this question does not concern the autonomy of public sector enterprises. If the hon. Member says that a report has been submitted, I am sure he is right. *(Interruptions)*... If he puts this question to the Minister concerned, I am sure the hon. Minister will answer when the report was submited and what action has been taken. This does not arise out of this question.

DR. K. MALAISAMY: Sir, we are very happy that some of the public sector undertakings are making surplus money. What do the public sector undertakings do with that surplus money? In other words, have you got any initiative to see that how this money can be effectively, usefully utilised?

SHRI P. CHIDAMBARAM: Sir, I am being invited to trespass into the jurisdiction of my colleague. ...*(Interruptions)*...

MR. CHAIRMAN: Please do not do that.

SHRI P. CHIDAMBARAM: Sir, public sector enterprises reserves are obviously utilised for additional capital investment, issue of bonus shares, declaring dividends and special dividends, and this is how public sector money is utilised. If they have reserves that adds to the net worth of the company, it is shareholders fund. How shareholders fund is to be deployed, it is for the shareholders to decide. The administrative Ministry of each PSU is the appropriate Ministry to answer how and why these funds are deployed.